

BILL NO. BL2018-1056 (ALLEN) – This ordinance would create a new section 6.28.030 of the Metropolitan Code of Laws to regulate online marketplaces that facilitate short term rental properties (STRPs). Online marketplaces in this context consist of internet-based digital platforms that provide marketing and compensation for operators of STRPs.

This legislation would define the terms “Online Marketplace” and “STRP Operator” and further establish standards for online marketplaces including requirements for listing STRPs. Online marketplaces would need to require a Metro permit number for each STRP-application prior to placing the property on the online marketplace site. The online listing would be required to expire at the same time as the STRP permit period and the permit would be required to be renewed prior to re-listing. Online marketplaces would further be required to remove a listing within 10 days after receipt of written notification from the Metropolitan Government that a STRP permit had been revoked, or that the STRP is operating without a permit.

The online marketplace would also be required to include a statement in its application information that operators and guests must abide by applicable zoning, noise, parking, trash, and public decency regulations and must also provide a link to the Metro Code of Laws and the website regarding permitting and operation of STRP.

The online marketplace would further be required to provide information regarding activity in the previous quarter by the 15th of the month following the end of each calendar quarter. The information would include:

- The total number of STRPs in each census tract listed on the online marketplace during the reporting period;
- By permit number, the number of days each STRP was rented during the reporting period and the rate at which the STRP was rented;
- Aggregated statistics regarding the total number of nights that STRPs on the platform were rented to guests;
- Aggregated statistics regarding the number of nights that STRPs on the online marketplace are booked for rental;
- Aggregated statistics regarding the STRP permit type for each listing; and
- The total amount of tax collected by the online marketplace (if any) and remitted to the city.

If enacted, this ordinance would take effect 60 days after passage.

The Council Office would note that the Tennessee General Assembly has very recently enacted legislation (HB1020/SB1086) that impacts the ability of local governments to regulate short-term rental properties. The Council office is continuing to analyze this recent legislation.